

Pension Funds

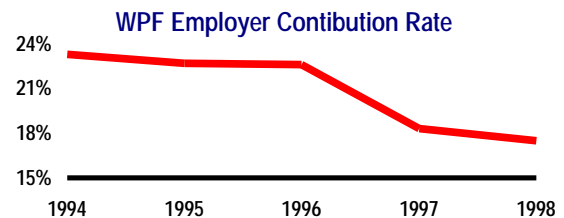
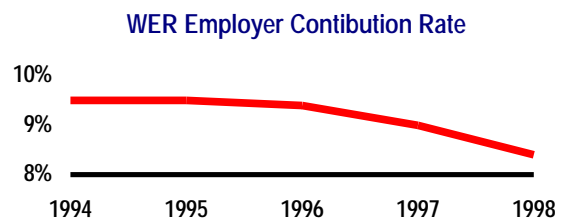
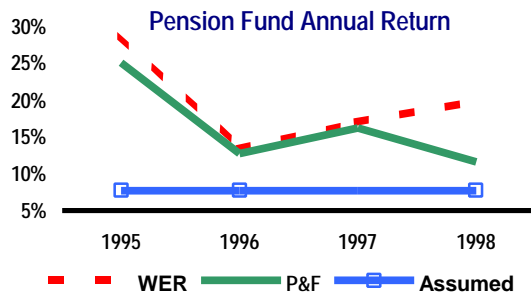
Mission. The mission of the retirement funds is to ensure resources that will meet or exceed benefit obligations.

Overview. The City has two distinct pension funds. The Wichita Police and Fire (WPF) Fund provides for the retirement of police officers and firefighters and the Wichita Employees Retirement (WER) Fund provides for the retirement of all other City employees. A board of sixteen-members administers each pension fund. The WER Board includes seven members appointed by the City Council, seven members elected by City employees, the City Manager and a City Manager's designee. The WPF Board is comprised of seven members appointed by the City Council, the employees, the City Manager, the Fire and Police Chief. Pension Management provides staff support.

Finance and Operations. Pension funds are invested based on the asset allocation plan adopted by the boards. In the past, the allocation has been 66 percent equities

and 34 percent fixed income instruments. An annual return of 7.75 percent is assumed for actuarial purposes. In recent years, the rate of return has exceeded this level. In the future, the investment activities of the two boards will be merged, a step which is expected to save around \$400,000 annually in asset management fees.

Revenues are generated from employee and employer contributions. Employer contributions are established annually, based on the actuarial condition of the funds. In the past, due to investment returns significantly above the assumed level, employer contribution rates have dropped.



Pension Fund Budget Summary					
	1998 Actual	1999 Adopted	1999 Revised	2000 Adopted	2001 Approved
Pension Buy-Out Trust Fund	4,673	103,000	106,000	106,000	106,000
WER - Pension Benefits	11,293,574	13,750,000	14,500,000	14,500,000	14,500,000
WER - Other Expenses	4,330,889	5,361,860	5,513,700	6,262,890	6,267,740
Total WER Pension Fund Expenditures	15,624,463	19,111,860	20,013,700	20,762,890	20,767,740
WER Plan 3 - Other Expenses	281,917	279,500	492,500	562,500	662,500
WPF - Pension Benefits	10,376,725	14,000,000	13,500,000	14,000,000	14,000,000
WPF - Other Expenses	3,550,521	4,340,260	4,368,470	4,521,430	4,524,120
Total WPF Pension Fund Expenditures	13,927,246	18,340,260	17,868,470	18,521,430	18,524,120
Total Pension Funds	29,838,299	37,834,620	38,480,670	39,952,820	40,060,360
Position Summary					
Total full-time	5	5	5	5	5
Total part-time	0	0	0	0	0
Total FTE	5	5	5	5	5